



Notice of Decision
Town of South Bruce Peninsula
Compliance Audit Committee

Established under Section 88.37 of the *Municipal Elections Act, 1996*, as amended

IN THE MATTER OF the Clerk's report regarding a campaign contribution made by Sauble River Family Camp Inc. to candidate Garry Michi and submitted under Section 88.34(2) of the *Municipal Elections Act, 1996*, as amended;

AND IN THE MATTER OF the Administrative Practices and Procedures established by the Clerk for the Town of South Bruce Peninsula for the 2022 Municipal Election Compliance Audit Committee, in accordance with Section 88.37(6) of the *Municipal Elections Act, 1996*, as amended;

Clerk	Angie Cathrae
Contributor	Sauble River Family Camp Inc.
Meeting Date	Thursday July 20, 2023
Meeting Location	Town Hall, 315 George Street, Warton ON N0H 2T0

Decision

A) Purpose of Meeting

The Compliance Audit Committee met to consider a report submitted by the Town Clerk, Angie Cathrae with respect to a contribution by the Sauble River Family Camp Inc. to the campaign of candidate Garry Michi.

The meeting was held in accordance with the provisions of the Administrative Practices and Procedures established for the 2022 Municipal Election Compliance Audit Committee.

B) Decision

After considering the Clerk's Report under Section 88.34(2) of the *Municipal Elections Act, 1996*, as amended, receiving a verbal overview of the issues from the Clerk, Angie Cathrae, hearing verbal representations from Garry Michi, the owner of Sauble River Family Camp Inc. and witness for Sauble River Family Camp Inc. Doug Briggs, the Compliance Audit Committee gave careful consideration to the issues and rendered a decision to commence legal proceedings against Sauble River Family Camp Inc. for the apparent contraventions identified in the Clerk's report.

At the meeting on July 20, 2023, the Compliance Audit Committee adopted the following resolution:

It was **Moved** by S. Cruickshank, **Seconded** by G. Magwood and **Carried**

That the Compliance Audit Committee has received a report from the Clerk of the Town of South Bruce Peninsula regarding Sauble River Family Camp Inc.;

And that the report has identified non-compliance with Section 88.9 and 88.8 of the *Municipal Elections Act, 1996*, as amended;

And that the non-compliance is identified as a contribution by a corporation to a candidate, a contribution to a candidate exceeding \$1,200 and a contribution to two or more candidates exceeding \$5,000;

And that the Compliance Audit Committee met on July 20, 2023 and has considered all evidence presented, both verbal and written;

And that the Compliance Audit Committee has decided that it appears that there has been a breach of the *Municipal Elections Act, 1996* as amended;

And that the Compliance Audit Committee directs the Clerk to secure the services of a prosecutor to commence legal proceedings in the Superior Court of Justice;

And further that the written reasons for the decision of the Committee will follow.

C) Reasons

The reasons for the decision are as follows:

1. The candidate Garry Michi filed the requisite financial statement on March 16, 2023. The candidate spent more than \$10,000 and as such, in accordance with Section 88.25 (7) of the *Municipal Elections Act, 1996* as amended, an audit was performed by Nara Manickam Professional Corporation and submitted with the financial statement.
2. The audit indicated that “cash contributions of \$7,500 from the candidate were from corporations”. Other than this statement, there was no indication on the financial statement that any corporation has made a contribution to the campaign. The corporate contribution was recorded on the financial statement as the contribution by the candidate and spouse.
3. Section 88.9(1) of the *Municipal Elections Act, 1996*, as amended, provides that a contributor shall not make contributions exceeding a total of \$1,200 to any one candidate in an election.
4. Section 88.9(4) of the *Municipal Elections Act, 1996*, as amended, provides that a contributor shall not make contributions exceeding a total of \$5,000 to two or more candidates for office on the same council or local board.

5. Section 88.8(4) of the *Municipal Elections Act, 1996*, as amended, provides that a corporation carrying on business in Ontario is not permitted to make a contribution to a candidate in a municipal election.
6. The owner of Sauble River Family Camp Inc. is also the candidate Garry Michi. In receiving representations from Mr. Michi and his witness Doug Briggs, it was explained that Mr. Michi has only one bank account that serves the dual purpose of providing funding for his private expenditures and corporate expenditures. He used money from the corporate account to open his election bank account.
7. A letter from Mr. Michi's accountant states that the contribution to the campaign from the corporation's bank account was recorded as personal income and not a corporate expense or donation.
8. In making its decision, the Compliance Audit Committee is to serve in a gate-keeper function to see that municipal financial and other resources are deployed in the public interest or for some useful purpose.
9. The Compliance Audit Committee understands that *Municipal Elections Act, 1996*, as amended clearly prohibits corporations from making contributions to a candidate's campaign with no exceptions.
10. The Compliance Audit Committee has determined that this contribution raises a concern and needs to be addressed through legal proceedings.
11. It is clear that the contribution by a corporation to the candidate's campaign is not an acceptable practice under any circumstances and that even given the explanation provided, nothing negates the fact that a violation occurred. Such conduct in the Committee's respectful view, warrants consequences to be imposed by a court of competent jurisdiction in order to provide a deterrent for future similar conduct by this or any corporation.

D) Conclusion

1. The Compliance Audit Committee finds that the public interest and a municipal purpose will be served by commencing legal proceedings against the corporation known as Sauble River Family Camp Inc. for the apparent contravention of Section 88.8(4) of the *Municipal Elections Act, 1996*, as amended. The Committee has therefore decided to authorize the commencement of such proceedings by directing the Clerk to secure the services of an independent prosecutor.
2. In coming to this decision, the Compliance Audit Committee recognizes that the prosecutor has a separate, independent function that includes determining whether there are reasonable grounds to believe that the corporation known as Sauble River Family Camp Inc. has committed an offence under the *Municipal*

Elections Act, 1996, as amended and whether there is a reasonable prospect of conviction. Assuming such a determination is made by the independent prosecutor, the independent prosecutor has prosecutorial discretion, and the Compliance Audit Committee's decision does not derogate from that in any way.

Issued by the Town of South Bruce Peninsula Compliance Audit Committee at Wiarton, Ontario on July 24, 2023.

Bob Beccarea, Chair
Compliance Audit Committee